

The Sinking Fund.—This fund by its own accretion and by the addition of surplus revenues of the State, has increased from \$3,426,749.55, its amount, at the date of my last message in 1855, to \$3,997,276.44. The amount of surplus revenue transferred to the Sinking Fund, which is done by the Treasurer at his discretion, under the Law of 1854, was in 1856, \$56,875.02, and in 1857, \$126,224.78. The interest of the State bonds constituting said fund has been regularly and judiciously re-invested in State bonds by the Treasurer, who has sole charge of this fund under the laws. The interest of the Sinking Fund, thus re-invested was in 1856, \$176,640.66, and in 1857 it was \$195,111.47. Thus it is a gratifying circumstance that this fund, which, at the commencement of my administration in 1854, was but \$2,870,704.71, now amounts to nearly *four million of dollars*, and its future increase will be in a greater ratio from year to year.

PUBLIC WORKS.

The large pecuniary interest and liability of Maryland in the four great public improvements of the State, render their successful operation of great importance to every tax payer and citizen. And the advantages to be derived from their active and profitable management is no less important to the agricultural and mineral development of the State, and the promotion of the trade, commerce, progress and prosperity of the city of Baltimore and the State at large.

Baltimore and Ohio Rail Road Company.—The interest and liabilities of the State in and on behalf of the Baltimore and Ohio Rail Road Company amount to stocks in the main stem \$685,600; in the Washington Branch \$550,000; Company's bond \$10,000; 5 per cent sterling bonds issued for the Company, \$3,200,000—total interest and liabilities of the State in said company, \$4,445,600, upon which the State received the past year, 6 per cent on the stocks of the Main Stem, and the bond, 9 per cent on the stocks of the Washington Branch, and the interest upon the sterling debt was fully paid by the company in London. The State also received an additional sum of \$76,038 for one-fifth of the passenger receipts on the Washington Branch Rail Road. The pecuniary aid rendered by the State to this great work, has not only assisted materially, in its construction, but the road has proved from its commencement, including the passenger tax of one-fifth, on the Washington Branch, a profitable investment.

The annual report of the President and Directors of the Company for the year ending October 1st, 1857, exhibits a continued increase of prosperity. The gross earnings of the Main Stem of the road for the last fiscal year were \$4,616,998.95, being an increase of \$231,047.48 over the preceding year, and of \$905,545.10 over the fiscal year 1855. The working expenses and repairs of the road for the past year were \$2,760,785.14, being about 60